

Mumbai, November 02, 2009:

Loan Rate Polling Service (LRPS) is an initiative of Credit Market Academy (CMA). Originally, LRPS was conceived as a polling service where banks were to provide information such as Loan volume, Interest Rates charged, borrower category (borrower rating) and maturity buckets for loans sanctioned by banks. CMA will collect and consolidate the information to provide a Loan Rate Matrix (LRM). It was also proposed to make this information available on the website for the benefit of CMA members. LRM would help banks to be aware of the prevailing market rates across products and borrower category.

While CMA was working in building LRPS, recently a Working group constituted by RBI has submitted its recommendations to replace the existing Benchmark Prime Lending Rates (BPLR) with a Base Rate adjusted for risk premium, tenor premium etc., The committee was of the view that the proposed system would bring-in more transparency for uniform understanding by market players. RBI has sought opinion from public and is expected that the final guidelines will be issued soon. Considering the effort involved in building a LRM among various loan products, CMA proposes to launch LRPS after considering the final guidelines of RBI.